

# A Verdict on Aid to the Sahel

David Naudet and Jean-Marc Pradelle

*Since the drought of 1973–74, the Sahel is no longer front-page news. The region has not experienced a major famine in almost 25 years and its economy is gradually beginning to be modernised. The ‘second generation’ of development co-operation with the Sahel must be tailored to the region’s changing requirements. To mark its twentieth anniversary, the Club du Sahel decided to see what lessons could be learned from experiences of the past two decades.<sup>1</sup>*

The impact of international aid on Sahelian countries is clear when one examines their infrastructure, institutions, agriculture and public-health sectors or their access to drinking water. Its influence can be seen even in the formulation of public policy and the emergence of a civil society.

It could be argued that development projects, as well as the process of structural adjustment, are externally driven. But this characteristic has not prevented them from radically transforming the areas in which they take place. Development aid has also encouraged innovation and the exchange of information, and has helped forge links between the region and the outside world. In view of the low volume of trade and private investment flows, it would be fair to say that foreign aid has been a major factor, together with migration, in removing barriers which isolated Sahelian countries, both regionally and internationally.

Aid has had a far-reaching impact on sectors where it has been concentrated (telecommunications is one). But it has had little impact, if any, on larger and more dynamic activities, not least growth in secondary cities, the informal sector or agriculture in urban perimeters. Indeed,

aid can even have adverse impacts, the most obvious ones being the increase in international debt and the removing of a sense of responsibility from Sahelian managers and civil servants.

## Mixed Results

There are diverging perceptions of the impact of aid on the Sahel. A large number of projects has been implemented. But the contribution of aid to the stimulation of growth or reduction of poverty has been relatively disappointing. Sahelian countries are currently among the poorest in the world. The results of aid are often unsustainable, a point on which all parties involved are in agreement, and which leaves a feeling of impotence, even of failure.

Nonetheless, the outcome has not been entirely negative if assessed according to the long-term changes in the region. Genuine social progress has been made over the past two decades, despite the doubling of the popula-

1. Review of the First Generation of Aid to the Sahel, 1996, available free of charge from the Club du Sahel at the OECD; **The Record of 25 Years of Aid to the Sahel**, OECD Publications, Paris, forthcoming 1997.



Aid that aims to improve Sahelian capacities must operate at a different rhythm from crisis aid.

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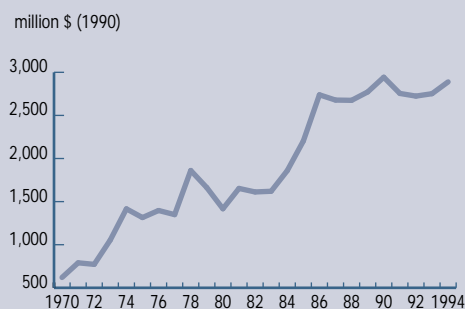
## FOCUS

### The Sahel – A Major Aid Effort, Though Not an Exceptional One

Aid to the Sahel increased by a factor of 4.6 in constant terms between the early 1970s and the mid-1990s. It rose in particular in the periods after the two major droughts in the Sahel in 1973–74 and 1984–85. In 1994, the volume of aid to the Sahel remained comparable to that received in 1986.

Although volumes of aid to the Sahel are relatively high, an international comparison shows them to be consistent with the resources and size of Sahelian countries. Although the Sahel receives a substantial amount of aid, it is because the region is made up of small countries with low incomes and

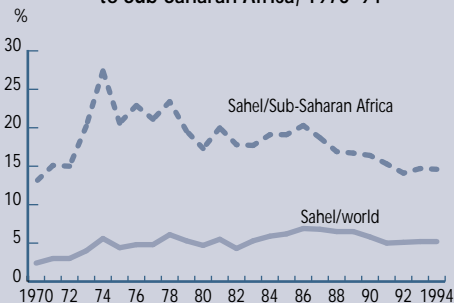
ODA<sup>1</sup> to the Sahel, 1970–94



1. Official development assistance.

Source: Club du Sahel, OECD

Share of the Sahel in Total ODA and in Aid to Sub-Saharan Africa, 1970–94



Since the mid-1970s, the share of total official development assistance (ODA) accounted for by the Sahel has remained relatively stable, at around 5%. In contrast, the region's share of ODA to sub-Saharan Africa has declined, falling from over 25% after the 1973–74 crisis to around 15% since the early 1990s.

Over the period 1990–94, external aid amounted to 17% of the region's GDP. This share had been under 10% in the early 1970s but was over 20% in the late '80s. Per capita aid followed a similar trend, although at a slower pace, rising from \$35 in the early 1970s to \$63 in the early '90s. These figures should nonetheless be treated with caution since, in many respects, aid volumes and data relating to specific recipient countries are not readily comparable because of non-material flows, expenditure in donor countries, differences in aggregate prices, and so on.

not because of any specific characteristics of a political, ecological or other nature.

As part of a steady long-term trend, aid is increasingly being directed towards 'services': financial services (debt, balance-of-payments support), management assistance (programme aid), social services. At the same time, the more 'material' aspects of aid are becoming relatively less important: food aid, infrastructure, support for productive services (including agriculture).

Aid accounts for almost all of the financial flows to the Sahel. Remittances from emigrants, about which very little is known, and income from a limited number of exports are the only other external resources. At the current stage in globalisation, this situation means that external aid has a highly specific role to play in the Sahel region.

tion. The human development indicator (HDI) developed under the United Nations Development Programme (UNDP) shows that sustained progress has been made in all the countries of the Sahel. And although economic indicators show virtually no sign of improvement, Sahelian societies and activities have become increasingly diversified. The traditional activities – cereal cultivation and nomadic livestock-breeding – now account for little more than 10–30% of their GDP.

The past decade has also been marked by the rise of democracy and civil society. Associations are now important elements in the economic and social life of the Sahel. In Chad, for example, parents' associations are now responsible for administering a large share of the educational system, building some 3,500 classrooms during the 1980s and paying, in cash and in kind, the salaries of 2,500 teachers.<sup>2</sup>

The 1983–84 drought did not lead to famine. Food insecurity, the common heritage of Sahelian countries, has clearly improved; food dependency is now modest and steadily declining. According to the Food and Agriculture Organisation, in 1992 the share of imports in total food consumption (expressed in calories) fell below 20% for the first time in ten years, despite the continued growth in the population. Although many challenges, chiefly that of poverty, still remain to be met, the region has changed dramatically over the past twenty years. Sahelian societies are on the move.

An analysis of aid to the Sahel lends weight to the perception that the principal limitations on the effectiveness of aid in general are the conditions under which it is implemented. Most dysfunctions in aid-delivery mechanisms have now been clearly identified. From initial concept to final evaluation, development aid is primarily controlled and managed by donors. As a result, it is seen as something to be endured rather than desired. In order for projects to secure recipient 'participation', donors are often obliged to include some kind of 'carrot' in the project design. Implementing mechanisms which duplicate and operate in parallel to organisations that already exist often appear to undermine rather

2. Jean-Marie Cour and David Naudet, 'West Africa in 2020', *The OECD Observer*, No. 200, June/July 1996.



W. Gartung/Laif/REA

Slow but fundamental change: Sahelian institutions are ready to take a more responsible role in the deployment of aid.

than strengthen Sahelian institutions. In too many instances aid projects appear to be over-ambitious or -optimistic. As a general rule, dialogue between donors and recipients is strained and difficult, based on negotiation rather than co-operation. Lastly, it has long been argued that there are too many projects and that co-ordination remains poor. In short, the final outcome is driven by supply rather than demand, inhibiting the motivation and commitment of the recipients. In addition, there is so much diversity in the supply of aid that at times it borders on the anarchic.

There are four lessons to be learned from these errors. First, the model of aid delivery based on emergency situations has to be abandoned. Experience in the Sahel shows that aid practices and instruments have far too often taken a crisis-management approach in which the donor, using fairly standard tools, assumes all responsibility for the action undertaken. It is true that on several occasions aid to the Sahel was directed at resolving major problems, such as food crises of recent years and the financial crisis in the 1980s. It is also true that at the time the Sahel countries seemed to be virtually incapable of dealing with these problems. In these particular cases, where the aim was to manage an extreme situation and prevent similar crises from occurring, the international community intervened with massive emergency aid which was sometimes delivered in an authoritarian manner.

Aid aimed at improving Sahelian capacities and creating opportunities must operate in a dif-

ferent manner. Rather than driving and directing, its role is to support and enable. That is a role with neither a beginning nor an end and one – unlike, say, the construction of infrastructure which is primarily a technical activity of limited duration – in which the human factor is all-important.

Too often, there is a tendency to view a given village, economic activity or administrative service in the Sahel as an institution in crisis which must at all costs be reformed according to the ideals of the industrialised countries. Participation in such ventures is encouraged through financial and material incentives to both recipient governments and project participants. This makes little sense and has few beneficial effects. It is the exact opposite of assistance which attempts to provide support for the development and implementation of initiatives. Development aid is clearly a complex undertaking. It has to be based on a wide range of instruments that can adapt aid to the type of problem encountered, and not the other way around.

The second lesson to be learned from past experience follows from the first. To date, regardless of specific local requirements and demands, the type of aid provided has largely been determined by the objectives pursued and instruments available. Aid experts sometimes seem to behave like vendors selling off-the-shelf products such as agricultural-development projects, structural-adjustment programmes or different types of support units. Aid programmes thus tend to be more effective at deploying aid instruments

than at providing solutions to the very real problems of the Sahel. The inevitable outcome is that recipients are reluctant to participate; and when they do agree to use instruments which they find alien, they may well reject them once the project/programme has been completed. This criticism has been partly heeded by some aid agencies, and the past few years have witnessed the emergence of more flexible and concerted approaches which place as much emphasis on the process as on the ultimate objective. These 'process-based' (as opposed to 'project-based') approaches are demanding in terms of the modifications agencies must make to their administrative procedures. They call for lengthy dialogue, sometimes leading to limited intervention. The aid actions which ensue could thus be difficult to plan and may not always have high visibility.

The third lesson to be learned is that, if aid is to be effective, partners in the Sahel have to be made accountable. With the gradual disappearance of financial participation by recipient governments in programmes and projects, the aid market has in many cases been reversed. Donors often appear to be getting recipient countries to accept their aid projects rather than actually providing the aid. As a result, the 'sale' of a project is accompanied by a variety of benefits to the receiving institutions, such as the supply of equipment, subsidies and, in many cases, wages.

The lack of any contribution by recipient countries in exchange for aid lies at the heart of dysfunctions in the aid system. It blinds providers to the real nature of demand in the Sahel. This counterpart contribution is the only signal which allows such demand to be identified, confirmed and then prioritised. Aid to the Sahel is currently perceived as a free good, or a service which recipients are actually paid to use. So there should be no surprise if this service is used too liberally and without regard to the consequences.

Sahelian governments now fulfil only partly their roles as the natural intermediaries between the aspirations of their populations and the aid supplied by donors. There is not much mutual trust between these states and donor countries. Indeed, the dialogue between the populations of Sahelian countries themselves is not always as good as it might be. There are currently too

## BACKGROUND

### The Club du Sahel – A Regional Approach Based on a Lively Partnership

Since its creation, in late 1976, until the middle of the 1980s, the Club du Sahel devoted itself to analysing issues involving food security and efforts to combat desertification in the member countries of the CILSS, the intergovernmental organisation which at that time was the only Sahelian regional organisation actively participating in the Club. A growing number of OECD countries then began to take an interest in the Sahel, with ten of them funding and participating in the Club by as early as 1985. During this period, drawing on the experience of the OECD, the Club developed a working method based on high-quality information and an active dialogue. In particular, the Club developed the food-aid charter which has since inspired similar initiatives elsewhere.

From 1985 onwards, the work of the Club on production and markets was extended to the whole of West Africa, and especially the economic poles in the coastal countries (Nigeria, Côte d'Ivoire, Ghana and others). The Club was also specifically asked to carry out two prospective analyses, the first, in 1987, regarding the future of the Sahel region, and the second, in 1994, on the future of West Africa.<sup>1</sup> Actors from civil society now regularly participate in the work of the Club through regional networks or professional organisations. There is also more collaboration with the North, with the involvement of other OECD countries, the likelihood of more participation by the World Bank and the European Union, and openings towards NGOs.

The next challenge will be to improve aid performance, although probably with fewer resources (and certainly less money per inhabitant); the aim will be for aid to become the catalyst for change within the region. This is the task to which the Club intends to contribute, drawing on the lessons it has learned from its experience. To mark the 20th anniversary of the Club, its members are considering the possibility of creating an 'aid implementation charter', the objective of which would be to adapt instruments to requirements, to ensure that in the future aid recipients play a more open and accountable role in the aid process and to consider a gradual reduction in the role of official assistance as the region becomes increasingly integrated into the world economy. This charter will make detailed proposals and will provide for the instruments necessary to ensure its implementation.

1. *Preparing for the Future: A Vision of West Africa in the Year 2020*, OECD Publications, Paris, forthcoming 1997.

many intermediaries in the aid process, ranging from co-ordinating structures to implementing agencies, NGOs, associations, and so on. These structures are approved and funded by aid agencies and, as a result, tend to focus on the supply side rather than relaying demand to the donors.

Sahelian institutions, in both government and civil society, are increasingly willing to assume more responsibility for the implementation of development aid. Consideration must be given to this slow but fundamental change. But above all, mechanisms such as genuine 'counterpart' contributions from aid recipients have to be deployed to help promote accountability and give the providers of funding a means of identifying and assessing the relative importance of demand and commitment from the Sahel.

The fourth lesson follows from the three previous ones and applies to the general attitude of donor countries. The desire of donors to obtain results which they can see and evaluate often takes precedence over the longer-term concerns which nonetheless remain the real objectives of development. In order to show that in making investments they are properly responding to their mandates, donors set up their own financial networks and systems for exchanging information and building relationships within receiving institutions. These serve to maintain close control over the implementation of projects. This short-circuiting works against the existing institutions and as a result erodes their coherence. The root of the problem therefore lies in the way in which donors manage financial risk-taking and try to assure the outcome of projects.

At present, projects are evaluated on a non-systematic and individual basis with the aim of obtaining precise and quantifiable results. This blinkered approach to the outcome of projects is motivated by a fear of failure. The 'minimum-risk' strategy of donors inevitably leads to minimum results. A broader vision of the results of long-term aid, by sector or by area, is required – one which looks at broad impacts rather than end-of-project results. Donors therefore have to work together and make joint assessments,

3. *Shaping the 21st Century: The Contribution of Development Co-operation*, OECD Publications, Paris, 1996.

agreed upon by both donors and recipients, of the main actions to be undertaken. These shared impact evaluations could provide a basis for a wide-ranging debate, both inside and outside the Sahel, and thus become highly effective instruments for 'aid reform'.



The current aid crisis poses a serious threat to the Sahel. Failure to acknowledge all too obvious results of past aid efforts,<sup>3</sup> together with a refusal to adopt a very long-term approach to development in the Sahel, may well prompt funding agencies to recommend a rapid strategic withdrawal from the region. On the other hand, this crisis offers a real opportunity to completely overhaul some aid relationships with which both parties are dissatisfied.

Those involved in giving aid to the Sahel have to meet a two-fold challenge. First, they must change their approach to development aid in the Sahel. They must stop insisting that Sahelian recipients adapt to the constraints and administrative methods of co-operation agencies and recognise that, instead, it is the agencies which must adapt to development dynamics of demand from the Sahel. Second, they must rebuild the climate of trust which has largely been lost between the partners, in particular by encouraging the articulation of what is required in a clear and more accountable manner. It is only by meeting this two-fold challenge that a foundation can be laid for a second generation of co-operation between the Sahel and its external partners. ■

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